



FOR IMMEDIATE RELEASE  
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District of Arizona**

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## **SCOTTSDALE MAN SENTENCED TO PRISON FOR BANKRUPTCY FRAUD**

PHOENIX – Andrew Taylor, 51, of Scottsdale, Ariz., was sentenced here to 33 months in prison and ordered to pay restitution of approximately \$50,000 and a \$5,000 fine by U.S. District Judge Neil V. Wake. Taylor had been found guilty here on May 13, 2005, by a federal jury of four counts of Bankruptcy Fraud, four counts of False Declarations in a Bankruptcy Proceeding and one count of Concealing Assets in a Bankruptcy Proceeding. Taylor will self surrender to the U.S. Marshal's Service by January 23, 2006 to begin serving his prison term.

U.S. Attorney Paul K. Charlton praised the sentence, observing that "the bankruptcy laws exist to give honest debtors a fresh start, while still giving consideration to the rights of their creditors. When debtors abuse the power of bankruptcy protection by lying, by concealing assets and by obtaining stays to which they are not entitled, they don't just cheat the innocent people they owe; they erode the public's confidence in our legal and financial systems."

The jury found that Taylor had devised a scheme to defraud his creditors and the Bankruptcy Court through filing, over several years, multiple Chapter 13 Bankruptcy petitions with no intention to follow through in bankruptcy or to pay his creditors or the bankruptcy trustee. Taylor did so solely to receive the protection of the automatic stay against those creditors that issued upon each filing. By so doing, Taylor intended to delay and ultimately defeat his creditors' efforts to collect the debts he lawfully owed them, because each time Taylor filed bankruptcy anew, the stay had the legal effect of sending the creditors back to the beginning of the debt collection or foreclosure process. The evidence showed that Taylor filed six Chapter 13 bankruptcies between 1998 and 2004. Taylor had previously filed for bankruptcy at least once in the state of Washington as well.

Taylor also defrauded the U.S. Bankruptcy Court and his creditors by omitting the required disclosure of his previous bankruptcies on subsequent petitions, the omission of which was intended to keep the bankruptcy trustee from detecting Taylor's fraudulent pattern. Finally, Taylor was shown to have concealed from the Bankruptcy Court, the trustee and his creditors several substantial assets during the course of his scheme, including a Bede BD-10 jet aircraft worth \$400,000; an interest in a now defunct business known as Automotive Investment Solutions, doing business in Scottsdale as The Car Store; and a secret bank account through which several hundred thousand dollars flowed to facilitate the purchase and disposition of the BD-10 and another jet, the business interest, a luxury residence in Scottsdale and other property.

The investigation leading to the guilty verdict was conducted by the Criminal Investigative Division of the IRS. The sentencing occurred on Monday, December 12, 2005 in Phoenix. The prosecution was handled by John R. Lopez IV and John J. Tuchi, Assistant United States Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-0809-PHX-NVW  
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